

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: :
: Chapter 11
SPONGETECH DELIVERY SYSTEMS, :
INC., : Case No. 10-13647(SMB)
: Debtor. :
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ORDER SCHEDULING HEARING

By order dated July 19, 2010, the Court directed the United States Trustee to appoint a chapter 11 trustee pursuant to 11 U.S.C. § 1104 for cause, as being in the best interests of the creditors, the equity security holders and the other parties in interest, and ultimately, with the debtor's consent. By order dated July 20, 2010, the Court approved the United States Trustee's appointment of S. Gregory Hays to serve as chapter 11 trustee. After the Court signed the latter order, it received numerous letters from shareholders of the debtor protesting the appointment of Mr. Hays on a variety of grounds including his experience, his alleged lack of partiality, his alleged connection with the SEC and the failure to disclose that alleged connection, his alleged predisposition to liquidation of the debtor and his not being from New York.

Based on what has transpired, the Court will hold a hearing at 2:00 p.m. on July 29, 2010, in Room 723 of the United States Bankruptcy Court, One Bowling Green, New York, NY 10004. The purposes of the hearing will be to hear a status report on the case and to schedule further proceedings, to the extent necessary, relating to the appointment of Mr. Hays. Any party in interest may attend and be heard.

So Ordered.

Dated: New York, New York
July 21, 2010

/s/ Stuart M. Bernstein
STUART M. BERNSTEIN
United States Bankruptcy Judge

TO:

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